

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6575**

**BILL NUMBER:** HB 2148

**DATE PREPARED:** Feb 20, 2001

**BILL AMENDED:** Feb 19, 2001

**SUBJECT:** Military Affairs.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** *Armory Board:* This bill authorizes the Armory Board to contribute funds in support of certain authorized duties and responsibilities of the Adjutant General.

*Adjutant General:* It enables a person who has served ten years as a commissioned officer of the United States Air Force to be appointed Adjutant General. The bill also allows the promotion of th Adjutant General to the rank of Lieutenant General.

*Medical Expenses:* The bill provides that, for purposes of payment of the medical expenses of a member of the Indiana National Guard who is injured in the line of duty, a disability shall not be considered temporary if it continues for more than one year.

*Appeals:* This bill provides that a conviction by courts-martial may be appealed to a military court of appellate review, and that the military court of appellate review shall consist of three Indiana National Guard Judge Advocates appointed to the Military Court of Appellate Review by the Adjutant General of Indiana.

*Soldiers & Airmen:* This bill also changes certain provisions of the military code to make them apply to soldiers and airmen as well as to officers.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** *Armory Board:* The State Armory Board currently holds approximately \$3.8 M in unobligated assets. Presumably, any contribution to the Adjutant General would be made from these assets. Any fiscal impact would depend on the decisions of the Board concerning contributions. The Armory Board operates on revenues derived from income on investments and from federal reimbursements.

*Adjutant General:* Under current law, the Adjutant General must hold the rank of at least Brigadier General.

The Governor may promote the Adjutant General to the rank of Major General (two stars). This bill would allow promotion to the rank of Lieutenant General (three stars). Current law allows the Adjutant General to receive from the state the same pay that an officer with the same rank would receive from the federal government. The Governor, with the approval of the State Budget Committee, sets the salary. The current federal salary for a Major General is \$112,593 annually while the federal salary for a Lieutenant General is \$124,272. While the Adjutant General's current salary is somewhat below that of his federal counterparts, the potential increase in expenses as a result of this provision is \$11,679 per year.

*Medical Expenses:* Under current law, a member of the Indiana National Guard receives pay and medical expenses while on service-connected temporary disability. This temporary status is limited to 90 days. After 90 days, the disability is no longer considered temporary and may result in separation in order to continue medical benefits. This bill would increase the 90 day time limit to one year so that the Adjutant General could pay these benefits for up to one year without separation. According to the Adjutant General's Office, there are no current injuries that would result in more than 90 days of disability and there has been only one case in the past 10 years that would have qualified under this proposal. This provision would increase the Adjutant General's expenses if any injuries arise in the future that cause a temporary disability that is greater than 90 days.

*Appeals:* The Indiana National Guard already informally operates a military court of appellate review. The Judge Advocates that serve on the court are federally paid. This provision would have no fiscal impact.

**Explanation of State Revenues:** *Armory Board:* Depending on the actions of the state Armory Board, the Adjutant General could receive additional funding.

*Soldiers & Airmen:* This provision would make soldiers and airmen, as well as officers, fiscally responsible for equipment that is issued to them and negligently lost or damaged. It allows recovery of the value of the lost or damaged items in a civil proceeding. Any monies collected under this provision would be deposited into the state Military Fund. This provision could provide a minimal increase in revenues.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Armory Board; Adjutant General.

**Local Agencies Affected:**

**Information Sources:** Lt. Col. George C. Thompson, Staff Judge Advocate, Adjutant General's Office (247-3491).